

EXHIBIT

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UNITED STATES DISTRICT COURT
DISTRICT OF DELAWARE

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CHINA THREE GORGES PROJECT CORPORATION, :
 :
 : Petitioner, :
 : Case No. 04-1510 JJF
 :
 : -against- :
 :
 : **AMENDED**
ROTEC INDUSTRIES, INC., : **AFFIDAVIT**
 :
 : Respondent. :
-----X

STATE OF NEW YORK)
) ss:
COUNTY OF NEW YORK)

Xiaomin Chen, Esq., an attorney admitted in New York, being duly sworn, deposes and affirms:

1. I am the managing partner of DeHeng Chen Chan, LLC, attorneys for Petitioner, am fully familiar with the facts of the case, and submit this affidavit in support of Petitioner's request for attorneys' fees, post-arbitration interest and an amendment of the judgment amount.
2. Petitioner China Three Gorges Project Corporation ("Three Gorges") has paid a flat legal fee of \$200,000.00 to DeHeng Chen Chan for its work in this case.
3. As a Global Partner of DeHeng Law Offices, which has its main office in Beijing, China, I am also familiar with the legal work performed by attorneys at DeHeng's Beijing Office on behalf of Three Gorges in connection with this case. Three Gorges has paid to DeHeng's Beijing Office a flat legal fee of

\$6,175.05 (the equivalent of RMB ¥50,000.00 at the exchange rate of \$1 = RMB ¥8.0971 on August 16, 2005) for its legal work in this case.

4. The full arbitration award is RMB ¥32,755,375.89, out of which RMB ¥11,173,013.98 has been enforced in China,¹ leaving RMB ¥21,582,361.91 or its equivalent in U.S. Dollars to be enforced here in the United States.
5. The exchange rate between the RMB and the U.S. Dollar changed significantly on July 21, 2005. During the decade before the change the exchange rate between the RMB and the U.S. Dollar remained at RMB ¥8.27-8.28 equal to 1 U.S. Dollar. After July 21, 2005, the RMB has risen steadily in its value against the U.S. Dollar, to as high as RMB ¥8.0971 equal to 1 U.S. Dollar as of today. As the RMB is still generally thought to be artificially undervalued, it is likely that the value of the RMB against the U.S. Dollar will continue to rise in the near future. Petitioner will need to convert any dollar payment from Respondent into the RMB due to the foreign currency control by the Chinese government, and Petitioner should not be penalized by any losses in RMB terms because of Respondent's unjustified refusal to comply with the arbitration award.
6. The balance of the outstanding arbitral award, RMB ¥21,582,361.91, is equivalent to \$2,665,443.42 at the exchange rate of RMB ¥8.0971 equal to 1


¹ The precise amount of the partial enforcement Three Gorges has already obtained in China is RMB ¥11,173,013.98, which reflects the amount I stated in my August 16, 2005 Affidavit (RMB ¥11,242,467.98) less the amount I inadvertently omitted in that Affidavit (RMB ¥69,454.00 or the equivalent of \$8,577.64). The judgment amount of RMB ¥11,242,467.98 ordered by the Chinese court actually includes an enforcement fee of RMB ¥69,454.00 that Three Gorges paid to that court under the local rules. Three Gorges would not have paid such a fee if Respondent had complied with the CIETAC decision and Respondent should be held solely responsible for this RMB ¥69,454.00 enforcement fee. Because of this amendment, I have also revised the numbers on the post-arbitration interest Respondent owes to Three Gorges.

U.S. Dollar as of August 16, 2005. We ask the Court to adjust the judgment amount to this number.

7. The post-arbitration interest accrued by July 21, 2005 is \$238,253.63, which is the principal, \$2,608,140.41 (using an average exchange rate at RMB ¥8.275 = 1 U.S. Dollar), times the prescribed interest rate, .021% per day, times the number of days, 435 (May 13, 2004 to July 21, 2005, both dates included). The post-arbitration interest accrued from July 21, 2005 to date is \$14,553.32, which is the principal, \$2,665,443.42, times .021%, times the number of days, 26. The interest accrued to August 16, 2005, therefore, is **\$252,806.95** ($\$238,253.63 + \$14,553.32 = \$252,806.95$).
8. For each additional day after August 16, 2005 and before Respondent pays the principal, the daily accrued interest is **\$559.74** ($\$2,665,443.42 \times .021\%$). We ask the Court to add such additional accrued interest to the total amount of interest when the Court issues its order on interest.

Dated: New York, New York

August 18, 2005


Xiaomin Chen

Sworn to before me this
18th day of August, 2005

Azra Kolenovic
Notary Public

Azra Kolenovic
Notary Public, State of New York
No. 01K06113563
Qualified in Kings County
Commission Expires August 2, 2008